

Fact Sheet

Module 1: Payroll Taxes and Federal Income Tax Withholding

Payroll and **income** taxes are withheld from employees' pay by their employers.

Employers send withheld taxes to the federal government.

Payroll taxes include Social Security (FICA) tax and Medicare tax.

- The Social Security tax rate is 6.2 percent.
- The Medicare tax rate is 1.45 percent.

Employees complete Form W-4, *Employee's Withholding Allowance Certificate*.

Employers use Form W-4 to compute the amount of income tax to withhold.

Form
Department of the Treasury
Internal Revenue Service

W-4

Employee's Withholding Allowance Certificate

OMB No. 1545-0074

2012

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

1 Your first name and middle initial		Last name		2 Your social security number	
Home address (number and street or rural route)				3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code				4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>	
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)					5
6 Additional amount, if any, you want withheld from each paycheck					6 \$
7 I claim exemption from withholding for 2012, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ►					

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature

(This form is not valid unless you sign it.) ►

Date ►

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)	10 Employer identification number (EIN)
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